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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

August 13, 2007

The Honorable Robert Blendu, Chair
Joint Legislative Audit Committee

The Honorable John Nelson, Vice Chair
Joint Legislative Audit Committee

Dear Senator Blendu and Representative Nelson:

Our Office has recently completed a 6-month followup of the Deer Valley Unified School District's implementation status for the 12 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in December 2006. As the attached grid indicates:

- 4 recommendations have been implemented;
- 7 recommendations are in the process of being implemented; and
- 1 recommendation has not been implemented.

Our Office will continue to follow up at 6-month intervals with the District on the status of those recommendations that have not yet been fully implemented.

Sincerely,

Sharron Walker, CPA, CFE
Director, Division of School Audits

Enclosure

cc: Dr. Virginia McElyea, Superintendent
Governing Board
Deer Valley Unified School District

**Deer Valley Unified School District
6-Month Follow-Up Report To
Performance Audit Report Issued December 2006**

CHAPTER 1: Administration

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should evaluate whether it can reduce the number of administrative positions.	Implemented at 6 months	

CHAPTER 2: Food Service

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should establish and monitor additional food service operational benchmarks, such as salary, food, and supply costs per meal and cost per student, for comparison to similar districts'.	Implementation in process	The District has established operational benchmarks and has developed a financial spreadsheet to collect and evaluate costs for the 2007-2008 school year.

CHAPTER 3: Student Transportation

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should evaluate alternative and/or additional bus storage facilities, and seek to identify other ways to minimize the number of miles driven and reduce its transportation program costs.	Implementation in process	The District is in the planning stages of establishing a transportation storage and fueling facility in the northern part of the district.

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CHAPTER 3: Student Transportation (concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
2. The District should perform rider counts throughout the year and evaluate and adjust routes to increase efficiency and reduce miles driven. Further, the District should maintain its records supporting the reported number of riders and miles as required by the <i>Records Retention and Disposition Schedule</i> for school districts.	Implemented at 6 months	
3. The District should develop and monitor performance measures such as cost per mile, cost per rider, and bus capacity usage.	Implementation in process	The District has collected data and is working to establish transportation benchmarks which it plans to implement as soon as they are developed.

CHAPTER 4: Plant Operation and Maintenance—No Recommendations

CHAPTER 5: Proposition 301 monies

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District's Proposition 301 plan should specify which positions are eligible for the monies and the amount of performance pay each eligible employee can earn if performance criteria are met.	Implemented at 6 months	

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CHAPTER 5: Proposition 301 monies (concl'd)

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
<p>2. The District should ensure that accounting records are maintained in sufficient detail to demonstrate that Proposition 301 monies were spent in accordance with statute and the District's plan.</p> <p>Additionally, the District should determine the amount of Proposition 301 monies actually paid out to eligible employees and, from other monies, repay any supplanted amounts to the Classroom Site Fund's menu monies account.</p>	<p style="text-align: center;">Implementation in process</p> <p style="text-align: center;">Not Implemented</p>	<p>The District has established additional codes in its accounting system to designate which employees receive Proposition 301 monies and intends to retain documentation to support Proposition 301 transactions.</p> <p>The District maintains that it did not supplant Classroom Site Fund monies and, therefore, will not make the necessary adjustments to repay any supplanted monies.</p>
<p>3. The District should ensure that employees submit required documentation of meeting their goals and review and approve such documentation prior to awarding performance pay.</p>	<p style="text-align: center;">Implementation in process</p>	<p>The District now requires eligible employees to submit proper documentation; however, the documentation has not always been reviewed prior to awarding pay. The District is working to correct this procedure.</p>
<p>4. The District should ensure that Proposition 301 monies are spent only as statute authorizes.</p>	<p style="text-align: center;">Implementation in process</p>	<p>The District plans to limit future use of Classroom Site Fund monies to authorized purposes. Auditors will review expenditure records again at the time of the District's 12-month status report.</p>

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CHAPTER 6: Classroom Dollars

Recommendation	Status of Implementing Recommendation	Explanation for Recommendations That Have Not Been Implemented
1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	Implementation in process	The District continues to work to ensure that all transactions are classified in accordance with the Uniform Chart of Accounts. Auditors will review expenditure records again at the time of the District's 12-month status report.
2. The District should review its spending in noninstructional areas, such as transportation and food service, to determine if savings can be achieved and some of these monies can be redirected to the classroom.	Implemented at 6 months	